



Budget Committee Meeting  
Town of Gorham  
Gorham Town Hall  
Public Meeting Room

Minutes of January 24, 2017

Members Present: Michael Waddell, Chairman; Diane Bouthot, Vice Chairman; Reuben Rajala, Secretary; Robert Demers; Lee Carroll; Doug Gralenski; Dan McCrum; Todd Lamarque; Terry Oliver, Selectmen's Rep

Town Staff Present: Robin Frost, Town Manager; Denise Vallee, Director of Finance & Administration; Carol Porter, Town Clerk/Tax Collector; Michelle Lutz, Assessor

Others present: Arthur Perry

Minutes Taker: Shelli Fortin

AGENDA ITEMS & DISCUSSION

1. Call to order: 6:02 PM
2. No minutes to approve.
3. Update on Prior Requests:
  - a. Diane Bouthot advised that the Town Manager's Contract was received. Mike Waddell advised he did not receive the email, and Todd Lamarque forwarded it to him.
  - b. Mike Waddell asked about the copy of the Emergency Management Plan and TM Frost advised it was 11 MB, so it was too large to send electronically, and would be available to view in the town office.
  - c. Mike Waddell asked about the CMA proposal and TM Frost advised it was available in the town office.

**4. Review of Town Clerk/Tax Collector Budget:**

Carol Porter advised the committee that revenues from motor vehicle registrations were up almost \$60,000 this year, possibly due to the fact that more people are leasing and the cost of a new car registration is higher than an older vehicle.

Porter advised that expenses for elections is down this year, as there are only two elections instead of four, and that everything else is pretty much the same as last year, give or take a few dollars.

Bob Demers asked about revenue from building permits and where that comes from. Michelle Lutz advised that it is not just new construction, but also renovations, decks, additions, electrical, plumbing, and sign permits.

Diane Bouthot asked about the \$5 registration fee for road repairs and how much was collected in 2016. Porter advised it was about \$8500. Denise Vallee advised this money does not go into the general fund, but a separate account for the roads.

Dan McCrum noted that the money collected from property taxes was up this year and Porter advised it was in large part due to the payments received weekly from the mill per their agreement. Porter stated that they have been paying \$15,000 each week, after the initial payment of \$50,000. Porter also advised that several property owners have started paying on a monthly basis to avoid the large bill twice a year. She stated that this is helpful for older residents who are on a fixed income.

Reuben Rajala asked about the Railroad Tax and why there was such a large jump from last year. Denise Vallee advised that this line also includes the water treatment plant grant, which is where DRA required the money to be budgeted. Vallee advised that the Railroad Tax was \$3378.14 in 2016 and the check comes directly from the state.

A question was asked about the reimbursement from the Recreation Revolving Fund in 2015 and Vallee advised it was to reimburse for a project paid for from the general fund, and was for one time only.

Todd Lamarque asked if there were any other anticipated revenues for this coming year and Porter advised that the town had just deeded the Munce properties and they will be going up for sale after April 1. Bob Demers asked which properties were taken and Porter advised all 8 were deeded to the town. Mike Waddell asked how much was owed on the properties and Porter advised it was approximately \$420,000 for liens and taxes. Demers asked about cleanup expenses for the Munce properties and was advised there are no problems identified on any of the parcels. Porter also advised that she has been in contact with the IRS in reference to the Gleason property and hopes to get that cleared up. Waddell asked how much is owed on the Gleason property and Porter advised it is about \$60,000 to the town and \$80,000 to the IRS.

Carol advised that the Deputy Town Clerk is budgeted as 1/3 Town Clerk, 1/3 Tax Collector, and 1/3 Finance.

Reuben Rajala asked about empty buildings in town and if the value is lowered because they are vacant. Michelle Lutz advised normally they are not, however KGI Properties successfully argued their case in front of the BTLA due to lack of rent. She stated they were refunded about \$61,000 in taxes, but that will probably change this year as the units are currently full. Doug Gralenski pointed out that there was no real financial incentive to the town to fill vacant buildings, as the owners are paying the taxes. Lutz advised that there has been interest in the empty Pizza Hut building since it closed. Rajala asked if tax breaks can be given to businesses coming in. TM Frost advised that there is a statute that allows for tax breaks on new construction or additions, but Gorham has not yet adopted it. Diane Bouthot asked if owners were required to maintain the vacant building and TM Frost advised that the town would only step in if there were safety concerns.

Diane Bouthot asked about the new software and Porter advised it would be going live on February 7. Porter advised that the Barrington Notices had not been sent out yet for late taxes, as she would like to do everything on the new system. Porter also advised that registrations will not be done on the new system, as the state is upgrading their software and are not allowing any new companies until their upgrade is complete.

### **Review of Assessing Budget:**

Michelle Lutz advised there is not a lot of change in the 2017 budget from the last one. She advised the 312 line has gone from \$20,780 in 2016 to \$53,780 in 2017 due to the revaluation.

Lutz advised that since it has been five years, property values will be updated this year. She said that the cost is \$25 per parcel, and with 1741 parcels, the cost is \$45,000 for the statistical update.

Lutz also advised that there was an increase in the 391 line item as the new software requires a conversion so that the tax cards will be available on the website. It is a one-time charge of \$800. Lutz also advised that the annual service fee increased by \$600.

Mike Waddell asked about the reval and if the new values would be for the Spring of 2018. Lutz advised that the new values would be used this fall, and the equalization to 100% would be the Spring of 2018. Lutz stated that the town is currently at 110.8% and she has not received the new one yet. Lutz advised there were more qualified sales this year, as last year was mostly mobile homes, and the number will change.

Mike Waddell asked about any tax cases this year. Lutz advised that the big cases with Portland Pipeline and Great Lakes Hydro were settled through 2018 and 2020 respectively. Fairpoint and PSNH are not settled, however TM Frost advised that the town is paying very little for representation for these cases, and the values are being defended by several towns who are sharing the cost. Waddell asked if any abatements have been given this year and Lutz advised there were two small ones, one was a data error on a mobile home and one on a home lot.

Lutz advised that the Planning and Zoning budget was the same as last year, however the \$7500 budgeted for the Master Plan may not be needed. This will be discussed at the meeting on Thursday.

### **Review of Finance Budget:**

Denise Vallee advised there were no big changes in the budget this year. She advised she would like to reduce the office supply line, but is not sure that they will get the same price as the state contract this year.

Mike Waddell asked about merit increases in the budget for \$12,000. TM Frost advised these would be 1 1/2% raises based on performance for employees not covered by a contract. She stated that they would be given based on their evaluations. Waddell asked who was awarded merit increases last year and why the sum shown for actual expense for 2016 was only \$614. Frost stated that last year 6 department heads were awarded 1 1/2% and that is included in this year's operating budget. Waddell observed that if everyone gets a merit increase it is not a merit increase. Doug Gralenski asked if it would be a one-time thing or if it is cumulative and TM Frost advised it would be cumulative and would be in addition to the 2% raise. TM Frost advised department heads would be doing the evaluations and making recommendations to her. Mike Waddell asked if the 2% negotiated in the police contract has been for the town as a whole and TM Frost advised it has been the practice. Doug Gralenski suggested that the bar for entry level positions needs to be reset and there need to be step increases, TM Frost stated that they should not be set steps as there is no incentive to work hard if you are paid the same as everyone else in the same position. Several members of the committee expressed concern about the possibility of all employees getting a 3 1/2% raise and that it could occur on a yearly basis. Many felt that a one-time bonus would be a better way to award employees based on merit. Doug Gralenski requested a better calculation for the merit raise instead of an average. Denise Vallee will get this to the committee.

Mike Waddell asked about salaried employees and if everyone has an 8-hour workday. TM Frost advised that if you are salary, you are expected to work at least a 40 hour week, or whatever it takes to get the job done. Waddell asked how many hours a week the Town Manager worked and was advised that she worked up to 50 hours a week. Waddell asked if all department heads were salary and TM Frost advised all but Michelle Lutz, who is hourly.

Mike Waddell asked about the increase in benefits and Denise Vallee advised it was 6.5%. She advised this is better than the average for towns, which was 13%. Doug Gralenski asked how much this amounted to, and Vallee advised it was \$33,000. Vallee advised this is split 80/20 with the employee, and 75/25 with new hires. Bob Demers asked for the total cost, which Vallee advised is \$373,242. The buyout amount, when an employee chooses not to take the town's insurance, is \$500 every six months. The cost for a single plan is \$6307.01 for a single plan, and \$17,028.96 for a family plan. There are currently 8 family plans. Vallee advised that the annual flexcards are \$1000 for single and the majority of employees use this for dental costs, as there is no dental coverage. Diane Bouthot asked if the amount on the flex cards was cut in half, how much this would save the town. Vallee advised it would be \$26,000. Reuben Rajala asked when the use of the flexcards began and TM Frost advised it was when the town went to a high deductible plan, which reduced the insurance cost to the town considerably. Waddell advised that a \$1000/single, \$2000/double, and \$3000 family are no longer considered high deductibles in for health insurance.

Vallee advised that she was reducing the postage line item from \$2624 to \$2124, and the software support from \$8741 to \$5134. Doug Gralenski asked about charges for copies and Vallee advised that there was a fee and it is included in the town office revenues.

Todd Lamarque asked about staffing and how many new positions were being requested this year. TM Frost advised that there was one new full-time dispatch position, but since the EMS position was not filled, there is a net of zero. Diane Bouthot asked about permanent positions in the Finance Department, which include two full-time positions for Denise Vallee and Susan Bolash, and a 1/3 position for Shelli Fortin.

Vallee advised the legal expenses have been increased by \$10,000 due to the Eversource divestiture case.

Vallee advised that the part-time position for Elaine Normand in the government buildings budget includes the 2% raise and a merit raise. Also up this year is Inspection costs due the elevator inspection charge increasing. Vallee advised that the Medallion Opera House also contributes to the inspection of the elevator, and also helped with the replacement of windows in the auditorium and half of the cost of carpeting on the stairs.

Vallee advised that the Property and Liability Insurance is up only 1/2% this year. Questions were raised about the Family Resource Center. Vallee advised it is owned by the town and the FRC uses the building free of charge, which was a 20 year agreement from a CBDG grant when they remodeled the building. Diane Bouthot asked when that agreement will run out and Vallee will check on this. The committee asked what will happen when the agreement runs out and Vallee advised it would be re-negotiated.

Vallee advised the Advertising budget includes the membership to the North Country Council and the printing costs are for advertising for public notices and bids.

Vallee advised the Animal Control budget includes dog tags and licensing costs. The budget is the same as last year.

Vallee shared that the welfare budget is down due to Sue Bolash's good work in helping to connect people with other resources to help them. While most of the budget is direct expense, it also includes training classes for Sue and mileage for traveling to the classes.

Todd Lamarque asked why the cost for Patriotic Purposes does not come out of the Recreation Revolving Fund. Vallee advised it is not part of the Recreation Department Budget, but is a separate committee. Only the cost of fireworks is part of the recreation budget. The cost in Patriotic Purposes is for extra police patrols during the celebration.

Vallee advised that the Information Booth has been transferred to the revolving fund. The Conservation Commission has budgeted \$500. The TAN budget is for interest if money is needed to borrow in April before taxes are collected. No money was budgeted for DARE, as there is no certified officer at this time.

The budget for the Selectboard includes a raise for each member to \$3200 per year.

#### **5. New Requests for Information**

Mike Waddell reminded the committee that there was still no decision about the dispatch equipment needed for the police department and if they would start budgeting to replace that. Todd Lamarque stated that he would still like to see some information on merging with Berlin.

#### **6. Old Business**

Mike Waddell asked about the Recreation Revolving Fund and if the committee wants to submit a warrant article to change this. Todd Lamarque stated that there should be some sort of process to follow, such as the budget process, for this fund. Gralenski agreed that there should be guidelines in place for the use of the money in the fund. Denise Vallee reminded the committee that it is useful, as the town is able to accept donations through the revolving fund. Waddell will work with Vallee and TM Frost to write the warrant article and will submit it to the committee for review at the next meeting.

Diane Bouthot asked about the parking lot at the Recreation Department and if Public Works would be able to do the work needed. The work is done by a private contractor, as it is just filling cracks and sealing that is needed.

#### **7. New Business**

Mike Waddell asked about setting money aside for Eversource land in case it is needed. TM Frost advised that she would not recommend this, as she does not believe it will be needed, and if anything needs to be moved off of the land, the public works department will do it.

The committee asked for copies of all the non-profit agency requests. Vallee will scan them and email them to the committee members for review.

A discussion was had about the \$1 million that was encumbered and if that will be released. Vallee advised that some may be released after the audit this year, and if it is, it will be added to the fund balance.

**8.** The next Budget Committee meeting will be on 1/31/2017 for review of the Capital Reserve Funds and discussion of the overall budget. It will be at 6:00 pm in the Town Hall Public Meeting Room.

**9. Robert Demers made a motion to adjourn at 9:03 PM, seconded by Diane Bouthot. Voted in the affirmative.**

Respectfully Submitted  
Shelli Fortin